



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 110-20 – Regulations Governing the Practice of Pharmacy Department of Health Professions September 18, 2002

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.G of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

Pursuant to a legislative mandate, the Board of Pharmacy (board) proposes to establish registration for voluntary pharmacist practice by out-of-state licensees.

Estimated Economic Impact

Chapter 740 of the 2002 Acts of the Assembly mandates that the board promulgate regulations to permit individuals licensed as pharmacists in other states to volunteer their pharmacist services in Virginia without needing to obtain a Virginia license. The legislation sets very narrow criteria for who may qualify. Only individuals who are licensed in other states, but not in Virginia, and who volunteer "to provide free health care in an underserved area of the Commonwealth under the auspices of a publicly supported, nonprofit organization with no paid employees that sponsors the provision of health care to populations of underserved people

throughout the world”¹ may register to perform volunteer pharmacist work in the Commonwealth without a Virginia pharmacist license.

The board’s proposed regulatory language essentially reiterates the requirements listed in Section § 54.1-3301 of the Code of Virginia with details on how the applicant is to present their qualifications, as well as establishes a \$10 processing fee for the Department of Health Professions’ administrative costs.

The requirement that not only must the volunteer not receive remuneration, but that the nonprofit organization have no paid employees is very restrictive. Many, if not most, charitable organizations would not meet this criterion. For example, the Red Cross has paid employees and an out-of-state pharmacist could not volunteer to provide pharmacist services through the Red Cross in Virginia under this provision. The requirement that the nonprofit organization sponsors the provision of health care to populations of underserved people throughout the world is vague and potentially extremely restrictive. It seems to exclude all non-international organizations. Read literally, it also seems to exclude international organizations that do not provide health care to populations of underserved people in all areas of the world. The proposed regulatory language was adopted as emergency regulations on July 19, 2002. As of now, mid-November 2002, no one has applied to register for voluntary pharmacist practice in Virginia. Given how highly restrictive the qualification criteria are, it is unlikely that more than a very small number of individuals will apply for voluntary pharmacist practice registration in the future.

For the small population of individuals who could potentially meet the qualification criteria and wish to perform volunteer work in Virginia and are licensed in another state but not in Virginia, the registration for voluntary practice would be beneficial. Otherwise such individuals would need to obtain a Virginia license by endorsement, which has a \$180² fee (versus the \$10 registration fee) plus would take considerably longer to obtain than the registration.³ When an out-of-state pharmacist applies for and qualifies for the registration and performs their volunteer work, citizens in Virginia will benefit by receiving pharmacist services that they may not have otherwise received. The Code of Virginia (§ 54.1-3301) stipulates that

¹ Source: Section § 54.1-3301 of the Code of Virginia

² The license fee will be \$180 starting on December 4, 2002. Up until then, the fee will continue to be \$50.
Source: Department of Health Professions

³ Source: Department of Health Professions

the voluntary services must be for an underserved population and thus will most likely not provide competition for existing services. Since registration for volunteer services is expected to happen very infrequently, the proposed regulatory amendment will have little effect.

Businesses and Entities Affected

The proposed amendments will likely affect very few Virginians. Given the highly restrictive nature of the registration qualifications, very few out-of-state pharmacists are expected to register and provide volunteer pharmacist services for underserved Virginians.

Localities Particularly Affected

The proposed regulations, if used at all, will mostly affect rural areas of the Commonwealth, particularly in southwestern Virginia.

Projected Impact on Employment

The proposed amendments will not significantly affect employment levels.

Effects on the Use and Value of Private Property

The proposed amendments will not have a large impact on the use and value of private property.